

May 6, 2004

To All Potential Proposers:

The State Health Benefit Plan (SHBP) Division of the Department of Community Health (DCH) is soliciting invitations to bid for consulting services to support the development of strategic options that address the delivery and management of health care services for its 635,000 members and their dependents. The SHBP continues to experience enormous cost pressure in maintaining a viable and valuable healthcare benefit for state employees.

SHBP provides health care coverage primarily to employees and retirees of state agencies, and county and city boards of education (teachers and school service personnel). Current membership is in the following options:

Plan option	Covered Lives
Indemnity	24,000
PPO	368,000
HMO	243,000 (BlueChoice, United Healthcare, Cigna and Kaiser)

Delivery and management of health care services for the Indemnity and PPO membership is currently divided among the following vendors:

TPA –Claims processing and member services	Blue Cross Blue Shield of Georgia
Care Management (including preauthorizations, precertifications, case management, disease state management and 24 hour nurse line	Unicare
PPO Network Management (Georgia)	1 st Medical Network
Pharmacy Benefit Manager	Express Scripts, Inc.
National PPO Network Management (outside Georgia)	Beech Street
Behavioral Health Services	Magellan

DCH intends to engage consulting support to **review the current delivery and management of healthcare services across all options. This would include analyzing the current choice of options and recommending changes as appropriate, reviewing the current division of vendor services to determine if the consolidation of services would result in more effective management of health care expense and recommending changes to be made in Care Management to insure that SHBP engages and implements the “best in class”.** The DCH seeks to insure that all alternatives currently being implemented or considered by other large employers are evaluated as part of the decision making process. As information, it is anticipated that there will be considerable emphasis on strengthening case management and disease state management. Additionally, SHBP intends to consider a program where the Care Management vendor accepts risks based on program outcomes.

With these objectives in mind, the successful vendor will perform the following tasks:

Initial Phase (to be completed within 60 days of engagement)

- Analyzing the six current (Indemnity, PPO and 4 HMO) offerings and making a recommendation on changes to the number and type of products offered in order to better manage healthcare costs while maintaining appropriate choice for members;
- Recommending new or different offerings that should be considered based on the experience of other large employers;
- Assisting with the development of an RFP strategy and timetable for renewal of all vendor services;
- Providing recommendations on consolidation of vendor contracts to include an analysis of industry best practices. This is expected to include information from other states as well as large private industry plans; and
- Developing recommendations for the care management program that includes an evaluation of industry best practices. This is expected to include a methodology for basing a substantial part of vendor reimbursement on outcomes.

Follow-up Phase (timeframe to be determined)

- Assisting with the development and preparation of the RFPs for new vendor procurements; and
- Assisting with the development of benchmarks and other tools to monitor the results of vendor efforts to manage health care costs.

The SHBP strategic planning project will be awarded on May 28, 2004, with a projected kickoff of June 7, 2004. If your firm is interested in responding to this opportunity, please e-mail or send via mail four (4) proposals by **no later than 4:00pm on Monday, May 17, 2004** to the attention of:

Joanne Mitchell, Contracts Manager
Georgia Department of Community Health
Office of Contracts Administration
2 Peachtree Street, N.W., 35th Floor,
Atlanta, GA 30303-3159,
jmitchell@dch.state.ga.us

Please limit your proposal to no more than 15 pages.

Please submit the following information:

- The names and brief backgrounds of the proposed consultant team members;
- A schedule of the time commitment/availability of each team member for Phase 1 (including the program manager).
- A minimum of three references of large employers (over 100,000 covered lives) for which your firm provided plan management services within the past 24 months;
- A list of employers or managed care organizations for which your firm developed cost-saving strategies for benefit plan costs;
- Recent health care benefit engagements with any other state government entities and the scope of the engagement; and
- A disclosure of any conflict of interest with any current clients or vendors that could impact your firm's involvement on this engagement.

If you should have any questions, please e-mail your questions to Joanne Mitchell at jmitchell@dch.state.ga.us. All questions must be received by **Tuesday, May 11, 2004, by 4:00pm**. Answers in response to questions received will be posted to the DCH website at www.dch.state.ga.us, under Request for Proposal, by **Thursday, May 13, 2004, by 5:00pm**.

Thank you for your interest.